



NEWS RELEASE

COUNCIL PRESIDENT SCOTT PETERS

First District

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Council President Welcomes Settlement with S.E.C.

SAN DIEGO – Council President Scott Peters welcomed the announcement today of a settlement agreement between the City of San Diego and the United States Securities and Exchange Commission (“S.E.C.”)

Under the administrative order, the City agreed to hire a monitor, which is both consistent with Mayor Sanders’ earlier proposal and acceptable to the SEC, who will provide direction to the City in the disclosure of financial information to the public markets. The SEC will not impose any fines against the City.

“This is an important day for San Diego,” Peters said. “The settlement agreement between the City and the Securities and Exchange Commission allows us to close a very painful chapter in the City’s history and continue with the progress we have made in reforming our finance and disclosure practices.”

The settlement includes findings by the SEC, which the City neither admitted nor denied, and which are not binding on any person or entity except the City of San Diego.

Council President Peters explained why the Council was eager to support the settlement. “Although we could have continued to fight in court, where the S.E.C. would have to have proven its case, the Council unanimously agreed that it was in the best interest of the City and its citizens to settle this case and allow the City to move forward.”

In their order, the S.E.C. credited the City for its work since 2004 in implementing remedial measures to detect and prevent any future securities violations. Those include the transition to a strong mayor/strong council form of government, the creation of the Disclosure Practices Working Group, and the hiring of new outside professionals.

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